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SUBJECT: GOC OFFICIALS, LEGAL EXPERTS DISCUSS PRISON
REFORMS, LEGAL SERVICES, CRIMINAL LAW, EXTRADITION

Classified By: Ambassador Clark T. Randt, Jr.; Reasons 1.4 (b/d).

Summary

11. (C) The Ambassador hosted China Prison Society (CPS) Vice President and retired Ministry of Justice (MOJ) official Shen Bailu, MOJ Foreign Affairs Director General Guo Jian'an and a number of Chinese legal experts for lunch on February 21. Shen said that China attaches great importance to "correctional work" affecting prisoners. DG Guo said that increased budget allocations have allowed Chinese prisons to pay more attention to inmate reform, as they are now less dependent on profits derived from prison labor. Legal experts at the lunch said that China's rapid economic growth and increasing rights awareness among Chinese citizens drive overall growth in the legal sector as well as the types of cases arising within the Chinese legal system. There are about 130,000 lawyers in China, although severe shortages in legal service providers remain in western China, particularly Tibet. Criminal Law reform has "stagnated" in recent years, while Criminal Procedure laws are developing quickly. DG Guo expressed his hope for more U.S. Government cooperation in extradition cases, especially those involving corrupt Chinese officials. End Summary.

Prisons Rely Less on Prison Labor; More "Inmate Oriented"

12. (C) On February 21, the Ambassador hosted CPS Vice President and retired MOJ official Shen Bailu, MOJ Foreign Affairs Director General Guo Jian'an and other legal experts for lunch. Shen said that China attaches great importance to "correctional work" affecting the 1.6 million prisoners in its nationwide system of 700 prisons, including the "heavy task" of resettling released prisoners. Shen stated that China's improved economic situation has permitted increased investment in the prison system in recent years whereas some prisons had encountered "financial difficulties" in the past.

13. (C) DG Guo said that China pays great attention to reforming the "administrative structure of its prison system." Previously, budget allocations for the prison system were limited, forcing greater reliance on profits derived from inmate work to support operations. The effect of this, Guo said, was that prisons emphasized profit-making over other important tasks including inmate reform. In 2002, China began implementing prison reforms, including prison budget increases. Prisons nationwide now receive increased state funding, allowing prison authorities to pay more attention to "the reform of inmates, rather than production," Guo said. Prison officials have sought to make prison administration more "inmate oriented," CPS VP Shen added, by protecting inmates' human rights and "respecting their

customs."

Economic Development, Rights Awareness Drives Legal Sector Growth

14. (C) Xiao Hongming, a former MOJ official now specializing in corporate law at Beijing's Guangtao law firm, stated that economic development continues to drive the rapid growth of China's legal services sector. Xiao and Beijing Zhongzi law firm partner Su Sheng both agreed that "the scope of legal practice is expanding continually." Su, a commercial litigator and part-time arbitrator, said that the number of lawsuits has increased dramatically. During the 1990s, judges handled an average of 50-60 cases per year, whereas they now handle 100-200 per year. "It is not easy to be a judge now," Su said, given the increase in caseloads.

15. (C) Lawyer Su also attributed the increase in the number of lawsuits percolating through the Chinese legal system to "great enhancement in the awareness of legal rights among Chinese people." Many cases, he said, now relate to the protection of rights. Over the last five years, for example, the number of intellectual property rights cases has increased at a rate of 20 percent annually. Economic development often drives the types of cases represented in the Chinese legal system, Su said. Numerous construction cases arise out of disputes involving the huge number of construction projects in China.

16. (C) Lawyer Xiao said there are about 130,000 practicing lawyers and 13,000 law firms in China. U.S.-based law firms, numbering 40-50, are most numerous among foreign firms with representative offices in China. CPS VP Shen and others said

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that Chinese law schools now produce 30,000 graduates per year to meet increasing demand for legal services, though many do not go on to practice law. Every year 200,000 to 300,000 people take the National Judicial Examination. In past years, around 13,000 newly licensed lawyers entered the profession each year. However, according to DG Guo, 20,000 passed the exam in 2007, when authorities lowered the criteria for applicants to boost the numbers of lawyers in Tibet. Tibet is still short of lawyers, Guo said, partly because some applicants take the exam in western China and then move to large eastern cities to earn higher incomes. Nationwide, lawyers in Beijing, Shenzhen, Shanghai and Shenzhen take in one-half of all income earned by lawyers providing legal services.

Criminal Law Developments Uneven; Legal Profession Faces Challenges

17. (C) Renmin University Law Professor Han Yusheng said that China's criminal laws have developed swiftly but unevenly. Criminal Law reform has "stagnated" in recent years following previous "rapid development" in some areas. In contrast, Criminal Procedure laws are developing quickly. The study of criminology is relatively undeveloped in China, Han said, because it is "hard to get relevant data."

18. (C) Lawyer Su said that China's legal profession faces developmental challenges. Lawyers must maintain the image of the profession by striking a balance between earning income and attending to social responsibilities. In the past, ordinary Chinese respected lawyers as advocates of "justice." Now lawyers in China command less respect because people increasingly view them as advocates of client interests. Lawyers help their professional image by participating in activities that benefit society, including lawmaking. The numbers of lawyers serving on the NPC, the national CPPCC and local lawmaking bodies are greater than in the past.

China Grateful for U.S. Cooperation in Extradition Cases;

¶9. (C) DG Guo said he hopes the United States will continue to assist China in cases involving the extradition of "corrupt officials" from the United States back to China. Past extradition cases involving corrupt Chinese officials, Guo asserted, represent only "the tip of the iceberg" of cases for which China seeks U.S. assistance.
RANDT